

**FICCI's Response on the Consultation Paper on Issues related to amendments to the Interconnection Regulations applicable for Digital Addressable Cable TV Systems & Tariff Order applicable for Addressable Systems:**

**I. ISSUE:**

(a) Whether the following proviso should be introduced in the clause 3(2) of the interconnection regulations for DAS and the clause 3(5) of interconnection Regulation for DAS should be deleted.

“provided that the provisions of this sub-regulation shall not apply in the case of a multi-system operator, who seeks signals of a particular TV channel from a broadcaster, while at the same time demanding carriage fee for carrying that channel on its distribution platform.”.

(b) If no, the reasons thereof.

**Recommendation:**

In order to ensure minimal legislative changes and to make sure that third proviso to Clause 3(2) of the interconnect regulations are applicable to operators in areas notified for DAS we recommend as follows:

1. The “Telecommunication (Broadcasting and Cable Services) Interconnection (Second Amendment) Regulation, 2006 (9 of 2006)” should be formally repealed and taken off the statute books.
2. Existing Clause 2 of Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 should be suitably incorporated in existing clause 2 of “The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004” (13 of 2004) as amended from time to time. For example existing Clause 2 (a) of “The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation 2004” (13 of 2004) – definition of addressable systems shall be amended and the revised definition shall stand as follows:  
"addressable system" means an electronic device (which includes hardware and its associated software) or more than one electronic device put in an integrated system through which signals of cable television network can be sent in encrypted form, which can be decoded by the device or devices, having an activated Conditional Access System at the premises of the subscriber within the limits of authorization made,

through the Conditional Access System and the subscriber management system, on the explicit choice and request of such subscriber, by the cable operator to the subscriber;”

Likewise, other definitions from the 2012 Interconnect Regulations should be incorporated in the 2004 Regulations as amended from time to time viz. Act, ala carte, ala carte rate, bouquet, bouquet rate, cable operator, commercial subscriber, DAS area, free to air channel, multisystem operator, ordinary subscriber, pay channel, programme, RIO, Service Provider, set top box, subscriber, subscriber management system, TV Channels.

3. All definitions in the 2004 regulations that are inconsistent with the above should be deleted.
4. All definitions in the 2004 Regulations as amended from time to time that are not covered in 2 supra shall be retained.
5. Clause 2 (j) of the Principal Regulations defines “Distributor of TV Channels”, the said definition in any event includes a Multi System Operator, therefore delete Clause 13.2B.1 (a) of Interconnect Regulations dated 17<sup>th</sup> March 2009. Accordingly the revised Clause 13.2B.1 shall read as follows:

13.2B.1 Every broadcaster, providing broadcasting services before the date of commencement of the Telecommunication (Broadcasting and Cable Services) Interconnection (Fifth Amendment) Regulation, 2009 (4 of 2009) and continues to provide such services after such commencement shall, within thirty days from the date of such commencement, submit its Reference Interconnect Offer specifying, *inter-alia*, the technical and commercial terms and conditions including those listed in Schedule III for interconnection with addressable systems other than the direct to home service to the Authority.

6. Delete the following from Clause 13.2B.3:

“....cable service in areas notified by the Central Government under sub-section (1) of section 4A of the Cable Television Networks (Regulation) Act, 1995 (7 of 1995) and ....”

Accordingly the revised Clause 13.2B.3 shall read as follows:

**13.2B.3** The provisions of regulations 13.2A.1, 13.2A.2, 13.2A.4, 13.2A.5, 13.2A.6, 13.2A.7, 13.2A.8, 13.2A.9, 13.2A.10, 13.2A.11, 13.2A.12 and 13.2A.13, relating to Reference Interconnect Offers for direct to home service, shall apply, mutatis mutandis, to such a Reference Interconnect Offer for interconnection with addressable systems other than the direct to home service:  
Provided that a broadcaster may have different Reference Interconnect Offers for different types of addressable systems.

## **II. ISSUE:**

- (a) Whether there is a need to specify certain minimum channel carrying capacity for the MSOs in the interconnection regulations for DAS.
- (b) If yes, what should be the different categories (example cities/town/rural area) of areas for which minimum channel carrying capacity should be prescribed and what would the capacity for each category.

## **Recommendation:**

There is no need to specify any minimum channel carrying capacity for MSOs in the interconnect regulations for DAS. These decisions should be left to the individual discretion of Operators who will be basing their decisions essentially on commercial considerations and market forces. In any event an operator who provides limited channels will be displaced by another operator who has a more varied offering. Also, the subscriber of such operator will always have the option to subscribe to a DTH service if it is dissatisfied with its cable operator.

## **III. ISSUE:**

Whether there is a need for regulating the placement fee in all the Digital Addressable Systems. If so, how it should be regulated. The stakeholders are requested to submit their comments with justifications.

## **Recommendation:**

1. A further proviso may be added to Clause 3 (2) of the Interconnect Regulations:

“Provided that if a distributor of TV channels before providing access to its network to a broadcaster insists on placement of the channel of such broadcaster in a particular slot or bouquet or demands from a broadcaster any placement fee such precondition shall amount to imposition of unreasonable terms.”

2. A new clause 13.2C should be inserted titled “ Channel Placing”

“13.2C.1 Every broadcaster shall declare the genre of its channels and such genre shall be either News and Current Affairs or Infotainment or Sports or Kids or Music or Lifestyle or Movies or Religious or Devotional or General Entertainment (Hindi) or General Entertainment (English) or General Entertainment (regional language).

13.2C.2 The multi system operator shall place the channels of a broadcaster in the genre declared by such broadcaster.

“13.2C.3 every multi system operator shall display, in his Electronic Programme Guide, all the channels offered by him, in the same genre in which a particular channel has been indicated by the broadcaster and one channel shall appear in only one genre.”

3. Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) (First Amendment) Regulations, 2012 dated 14<sup>th</sup> May 2012 should be repealed.

4. The Telecommunication (Broadcasting And Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012 No. 9 Of 2012 should be repealed save and except as indicated above.

#### **IV. ISSUE:**

a. The ceiling on the a-la-carte rates of pay channels forming part of bouquet(s) which shall not exceed three times the ascribed value# of the pay channel in the bouquet;

b. The a-la-carte rates of pay channels forming part of bouquet(s) shall not exceed two times the a-la carte rate of the channel offered by the broadcaster at wholesale rates for addressable systems.

# ascribed value of a pay channels in a bouquet is calculated in the following manner:

1. Proportionate Bouquet Rate for pay channels [A]= Bouquet Rate x (Sum of a la carte rate of Pay channels)/(Sum of a la carte rate of Pay channels+ Total no of FTA channels x factor\*)

2. Ascribed value of a pay channel in a bouquet = [A] x a-la-carte rate of a pay channel/ (sum of a-la-carte rate of all the pay channels)

\*factor=1 if uniform rate of free-to-air channel is less than or equal to Rupees three. The factor = uniform rate of free-to-air channel/ 3, if the uniform rate of free-to- air channel is greater than Rupees three.

Apropos the above, the stakeholders are requested offer their comments on the above conditions to prevent perverse a-la-carte pricing of the pay channels being offered as part of the bouquet(s). The stakeholders are also welcome to submit any other formulation that can achieve the same objective, along with its justification.

**Recommendation:**

This is not advisable. The formula is unduly complicated. With existing levels of competition, the Authority would do well to discontinue formulations that establish a relationship between bouquet and ala carte rates both at the whole sale as well as at retail.

**V. ISSUE:**

Apropos the above the stakeholders are requested to offer the comments, if any, on the proposed deletion of the word ‘pay’ in clause 6 and 6(2) of the principal tariff order dated 21.07.2010.

**Recommendation:**

No comments. However it is advisable to repeal all Tariff Orders pertaining to erstwhile Sec 4A of the Cable Television Act (The “CAS” Tariff Orders).

**VI. ISSUE:**

“It shall be open to the subscriber of the addressable systems to subscribe to any bouquet(s) or any bouquet(s) and any channel(s)( pay or free to air) or only free to air channels or only pay channels or pay channels and free to air channels”

Apropos the above, the stakeholders are requested to offer their comments, if any, on the proposed inclusion of the above mentioned provision after sub-clause 6(4) in the tariff order dated 21.07.2010, as amended.

**Recommendations:**

No comments.

**VII. ISSUE:**



Whether the channels that require special type of STB be offered only on a-la-carte basis or as part of separate bouquets that consists of only those channels that require a particular type of specialized STB.

**Recommendations:**

No comments.

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